# INSIDE I WIRGINIA

# GENERAL ASSEMBLY CREATES MANUFACTURING DEVELOPMENT COMMISSION

The Senate of Virginia passed a bill this year establishing a Manufacturing Development Commission – a legislative study commission responsible for assessing manufacturing needs and formulating legislative and regulatory remedies to ensure the future of the manufacturing sector in Virginia. A response to forecasted needs of the manufacturing sector, the Commission will partly be responsible for considering the effect of state workforce training policies.

Last year, former Secretary of Commerce and Trade Mike Schewel created a Manufacturing Council to look for new ways to make Virginia attractive to manufacturing businesses. The Council's subcommittee on skilled trades labor presented their report during DBA's recent Virginia Economic Development Seminar. Their research determined that, due to low unemployment and

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is an informational
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an aging workforce, there will be more plumbers, electricians, pipe fitters and mechanics needed than will be available or willing to work. The Virginia Manufacturer's Associations estimates a shortage of 100,000 in the next five years. Nationally, the need is projected to be roughly 10 million by 2020.

Managers from Virginia's existing manufacturing employers presented solutions and recruitment strategies during the seminar. Proactive recruiters are visiting students as soon as middle school to discuss the possibility of entering a skilled profession. Although young people are finding the benefits of skilled trades appealing, recruiters are battling an image problem with the majority of jobs.

"Young people are seeking a certain lifestyle. These aren't the kind of jobs that parents are encouraging their children to apply for." Preston Wilhelm, DBA's Workforce Services Jobs Investment Program Director said. "We need to polish the image of the industry and let young people know they can have a financially secure as well as rewarding and stable future."

Many employers are working with local community colleges to offer paid training, education or reimbursement for employees. Estimated annually salaries for fully trained electricians can be more than \$50,000 and the skills they learn can be applied to various industries.

"Making that much money out of the gate, with no student loans to pay back, is a good deal." Wilhelm said.

Skilled jobs are also becoming increasingly complex—some requiring advanced math, science and technical education. And, although the majority of the jobs require some physical strength, new technology is making many less physically demanding jobs more attractive to women than in years past.

In addition to recruitment strategies, the subcommittee also recommended identifying the employment needs of Virginia's manufacturing businesses and balancing workforce training resources accordingly.

#### POLLINA RANKS VA A TOP BUSINESS-FRIENDLY STATE

Governor Kaine recently announced that Virginia was named one of America's most business-friendly states in the annual independent study conducted and published by Pollina Corporate Real Estate, Inc., a top U.S. corporate site relocation expert. The Top Ten Pro-Business States 2006: America's Economy in the 21st Century study evaluates state and federal economic development policies.

Virginia finished near the top of the study at No. 2. Other states that made the list include South Carolina (1), South Dakota (3), North Carolina (4), Wyoming (5), Georgia (6), Florida (7), Maryland (8), Alabama (9) and Kansas (10). The Pollina study takes a comprehensive approach to evaluating and ranking states based on a total of 29 factors including taxes, human resources, right-to-work legislation, energy costs, infrastructure spending, workers compensation legislation and jobs lost or gained. The evaluation also considers fourteen state government-controlled factors based on incentive programs and state economic development departments.

Chicago-based Pollina Corporate Real Estate is a fullservice brokerage and consulting firm, representing corporations in real estate matters on a national and international basis.

BUSINESS APPRECIATION WEEK
Navigating Virginia's Future

#### VSBFA PARTNERS WITH CRF FOR ADDITIONAL CAPITAL ACCESS

The Virginia Small Business

Financing Authority (VSBFA) announced it is partnering with the Minneapolis-based Community Reinvestment Fund, USA (CRF) to access greater capital for economic development. CRF is a national nonprofit organization that purchases economic development and affordable housing loans and pools them into asset-backed debt securities and New Markets Tax Credit (NMTC) investment funds sold to institutional investors.

Under terms of the partnership, CRF will purchase community development loans the VSBFA makes to qualifying small business owners, providing the community development lender with the private capital needed to finance more loans and drive more dollars into disadvantaged communities.

"This new program will enable us to provide long-term financing to existing businesses for real estate and capital equipment – a key element in the growth of Virginia businesses," said Patrick O. Gottschalk, Secretary of Commerce and Trade for the Commonwealth of Virginia. "This program will enhance business opportunities for communities in economically distressed areas throughout the Commonwealth."

In addition to employing CRF's traditional business loan program, VSBFA and CRF will utilize the NMTC program to provide financing to eligible small business owners in targeted geographic areas, including some of the most underserved

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## INSIDE I VIRGINIA

#### VSBFA PARTNERS WITH CRF

communities throughout the Commonwealth. NMTC is a first-of-itskind federal tax credit aimed at stimulating private investment in the lowest income communities across the nation. By making an investment in an eligible "community development entity," such as CRF, investors can receive tax credits worth more than 30 percent of the amount invested. CRF has received more than \$400 million in NMTCs — the largest allocation in the country.

Working through the Virginia Department of Business Assistance, the VSBFA serves as a statewide conduit issuer of industrial development bonds and provides financial assistance to Virginia businesses for the promotion of economic development in the Commonwealth.

Inside Virginia is published by the Virginia Department of Business Assistance (DBA) to keep our readers up-to-date on current events in the economic development, small business and entrepreneurial business communities

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### COMMONWEALTH of VIRGINIA

Office of the Governor

Timothy M. Kaine

Dear Friend:

On behalf of the Commonwealth of Virginia, it is my honor to designate May 14 through May 20, 2006 as Business Appreciation Week. In recognizing the many contributions your business provides, I would also like to affirm my commitment to your prosperity and assist you in carrying forward your values of courage, opportunity and community.

This year's Business Appreciation Week theme, "Navigating Virginia's Future," acknowledges the confidence we as citizens have in our business community to chart the course for an expanding economy and steady job growth. Virginia remains a top ranked state in which to do business, vacation and, above all, to live and raise families. Thanks to your unwavering determination to succeed, you will leave a better Virginia for future generations.

I admire you for keeping the Promise of Virginia strong and I pledge to be your partner and advocate, so you may continue to be a beacon for the entire Commonwealth. Best wishes during Business Appreciation Week and for lasting success.

Business Appreciation Week Jirginia's Future ely impacting local com unities from the Business Appreciation Week is a time to e these businesses for navigating perilous seas nbracing the waves of change that result in job rowth and enhanced quality of life for our citizens. It is the

Sincerely,

Timothy M. Kaine

ond, Virginia 23219 • (804) 786-2211 • TTY (800) 828-1120 or.virginia.gov

#### **CALENDAR**

MAY 19, 2006 **Small Business Resource Day** RICHMOND

**MAY 30 - JUNE 2, 2006** Virginia Department of Labor & **Industry OSHA Conference ARLINGTON** 

Visit www.dba.virginia.gov for more details and other events.

development and prosperity